

MINNESOTA: EXPORTS, JOBS, AND FOREIGN INVESTMENT

Exports Mean Jobs for Minnesota's Workers

- Export-supported jobs account for an estimated 6.5 percent of Minnesota's total private-sector employment (roughly one of every 15 jobs, which is the same as the national average). (2001 data latest available)
- Nearly one-fifth (18.2 percent) of all manufacturing workers in Minnesota depend on exports for their jobs. This is slightly below the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)

Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports. Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.

Exports Help Sustain Thousands of Minnesota Firms—Small As Well As Large

- A total of 6,688 companies exported goods from Minnesota locations in 2001. Of those, 85 percent were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated nearly one-fourth (24 percent) of Minnesota's total exports of merchandise in 2001.

Source: Exporter Data Base, International Trade Administration & Census Bureau

Economic Globalization: A Two-Way Street for Minnesota

- In 2002, majority-owned affiliates of foreign companies employed 93,900 workers in Minnesota.
- More than one-third of these foreign-investment-supported jobs (34 percent, or 32,300 workers) were in the manufacturing sector.
- Majority-owned affiliates of foreign firms accounted for 9.2 percent—almost one-tenth—of total manufacturing employment in Minnesota in 2001.
- Foreign investment in Minnesota was responsible for 4 percent of the state's total private-industry employment in 2001.
- Major sources of Minnesota's foreign-investment-supported jobs in 2002 included the United Kingdom, Canada, the Netherlands, Germany, and France.

Note: All figures exclude employment in banks affiliated with foreign companies. Source: Bureau of Economic Analysis.

Minnesota Depends on World Markets

- Minnesota's export shipments of merchandise in 2003 totaled \$11.3 billion, up 20 percent (\$1.9 billion) from the 1999 total of \$9.4 billion. In comparison, total U.S. merchandise exports grew

by 4.5 percent over this period. Minnesota ranked tenth among the states in terms of dollar growth in exports over the 1999-2003 time span.

- Minnesota exported globally to 189 foreign destinations in 2003. The state's largest market in 2003, by far, was our NAFTA partner Canada, which received exports of \$2.9 billion, or 26 percent of the 2003 total. Canada was followed by Ireland (\$1.2 billion) and Japan (\$846 million). Other top markets included the United Kingdom, the Netherlands, Germany, Mexico, China, France, and Hong Kong.
- Ireland is Minnesota's fastest-growing major market in both dollar and percentage terms. Minnesota's merchandise exports to Ireland rose 199 percent from \$402 million in 1999 to \$1.2 billion in 2003, an increase of \$801 million.
 - Other countries to which Minnesota recorded large dollar increases in merchandise exports over the 1999-2003 period were Canada (exports up \$566 million), the Netherlands (up \$249 million), China (up \$209 million), and South Korea (up \$109 million).
 - Besides Ireland, Minnesota's other fast-growing major markets are Norway (exports up 136 percent during 1999-2003), China (up 124 percent), the Netherlands (up 77 percent), and the United Arab Emirates (up 75 percent).
- The state's largest export category is computers and electronic equipment, which alone accounted for 30 percent, or \$3.4 billion, of Minnesota's exports in 2003. Other top export categories are miscellaneous manufactures (\$1.7 billion in 2003), machinery manufactures (\$1.5 billion), and transportation equipment (\$1.1 billion).
- Miscellaneous manufactures is the state's fastest-growing manufactured export category in both dollar and percentage terms. Over the 1999-2003 period export shipments of these products grew 252 percent from \$481 million to \$1.7 billion—an increase of about \$1.2 billion.
 - Other manufactured export categories that registered large dollar growth from 1999 to 2003 were transportation equipment (up \$521 million), chemical manufactures (up \$181 million), and computers and electronic products (up \$110 million).
 - Minnesota's other fast-growing manufactured export categories, in percent, over the 1999-2003 period were transportation equipment (exports up 84 percent from 1999 to 2003), non-apparel textile products (up 81 percent), and beverages and tobacco products (up 80 percent).

Source: Origin of Movement State Export Series, Bureau of the Census.

Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

Prepared by the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce.